

AMENDED IN ASSEMBLY MARCH 14, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2050

Introduced by Assembly ~~Members Huffman and Member Allen~~
(Principal coauthor: Assembly Member Huffman)

February 23, 2012

An act to add Section 721 to the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 2050, as amended, ~~Huffman~~ *Allen*. Corporations: political activity: disclosures.

Existing law, the General Corporation Law, provides for the regulation of corporations. Under existing law, every publicly traded domestic corporation is required to file annually a statement, on a form prescribed by the Secretary of State, that includes, among other things, the name of the independent auditor that prepared the most recent auditor's report on the corporation's annual financial statements and information about the board of directors.

This bill would prohibit a domestic corporation from making any monetary contribution to any candidate for local or state office in this state or any other state. The bill would also require every domestic corporation making any monetary contribution in excess of \$1,000 to any candidate for federal office or any statewide ballot, referendum, or initiative voted on in this state to make a specified disclosure to the Secretary of State within 10 days thereof. The bill would require the Secretary of State to make the disclosure public, including on its Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 721 is added to the Corporations Code,
2 to read:
3 721. (a) ~~No~~A domestic corporation ~~may~~, *shall not*, directly
4 or indirectly, make any monetary or other contribution of value to
5 any candidate for city, county, city and county, or state office in
6 this state or any other state.
7 (b) Every domestic corporation that, directly or indirectly, makes
8 any monetary or other contribution of value, either individually
9 or cumulatively, in excess of one thousand dollars (\$1,000) to or
10 for the benefit or support of, or *to* the detriment *of* or opposition
11 to, any candidate for federal office or any statewide ballot measure,
12 referendum, or initiative voted on in this state shall, within 10 days
13 of doing so, file a report on a form to be prepared by the Secretary
14 of State setting forth the full details of that contribution and the
15 information on that form shall promptly be placed in the public
16 records, including on the Internet Web site of the Secretary of
17 State.
18 (c) The provisions of this section are severable. If any provision
19 of this section or its application is held invalid, that invalidity shall
20 not affect other provisions or applications that can be given effect
21 without the invalid provision or application.

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